

**CONDITION FOR APPROVAL FORM
(TO ACCOMPANY LEGISLATION)**

COMMITTEE: TRANSPORTATION

DATE: 9/14/5

ORDINANCE # 05-R-170⁴ **RESOLUTION #** _____

REQUESTED BY: Committee

DIRECTED TO: Airport & Law Dept

NATURE OF CONDITION FOR APPROVAL:

Provide information on bankruptcy questions raised
by Committee

WHEN IS THIS INFORMATION DUE, AND TO WHOM?

Prior Friday 9/16/5 Council Meeting

WILL THIS RESULT IN AN AMENDMENT TO THE LEGISLATION?

YES () NO (✓)

WILL THIS RESULT IN A SUBSTITUTE TO THE LEGISLATION?

YES () NO (✓)

HAS THIS INFORMATION BEEN RECEIVED? YES () NO ()

DATE OF RECEIPT: _____

A RESOLUTION

05-*R*-1704

BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDATORY AGREEMENT WITH DELTA AIR LINES, INC. ("DELTA") COVERING THE RELOCATION AND RECONFIGURATION OF CERTAIN DELTA GROUND SERVICES AND EQUIPMENT FACILITIES AND THE PERMANENT SURRENDER TO THE CITY OF ATLANTA OF VARIOUS EXCLUSIVE LEASED PREMISES AND THE ADDITION OF OTHER EXCLUSIVE LEASED PREMISES ALL OF WHICH ARE LOCATED IN THE CENTRAL PASSENGER TERMINAL COMPLEX ("CPTC") AND LEASED TO DELTA BY THE CITY UNDER THE CPTC LEASE WITH DELTA AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City") has entered into an Agreement and Lease of Premises with Delta Air Lines, Inc. ("Delta") dated March 22, 1977, covering the planning, design, financing, construction, development, operation and maintenance of the Central Passenger Terminal Complex, consisting of two landside terminal buildings (designated Terminal North and Terminal South) and six airside concourse buildings (designated Concourse "T" and Concourses "A" through "E"), all collectively referred to hereinafter as the "CPTC", at Hartsfield-Jackson Atlanta International Airport ("H-JAIA") which, as heretofore amended, provides for the lease of certain premises and the occupancy and use of certain facilities by Delta, hereinafter referred to as the "Delta CPTC Lease;" and

WHEREAS, the City has undertaken the design and construction of the Runway 8R End Around Taxiway project ("8REATW Project") which will increase the capacity of the H-JAIA airfield by permitting aircraft to taxi around the end of Runway 8R while other aircraft are landing and/or departing from Runway 8R-26L; and

WHEREAS, existing Tract II and Tract III of Delta's ground services and equipment facilities (the "Delta GSE Lease Areas") would conflict with the overall design layout of the 8REATW Project and the City and Delta desire to mitigate that conflict by relocating and reconfiguring the Delta GSE Lease Areas; and

WHEREAS, the City has undertaken the design and construction of the CPTC Cosmetic Upgrades project, a component of which is the expansion of the existing restroom facilities on Concourses "A" and "D", which will require the permanent surrender to the City of certain Delta Exclusive Leased Premises, and Delta is ready and willing to permanently surrender certain Exclusive Leased Premises; and

WHEREAS, the City desires the permanent surrender of a portion of a certain Delta Exclusive Leased Premises located on Concourse "B" for the purpose of expanding the concessions program, and Delta is ready and willing to permanently surrender that portion of Exclusive Leased Premises; and

WHEREAS, Delta desires to reconfigure its Terminal South ticketing lobby for the purpose of adding additional passenger processing capacity and also desires

to relocate current employee back office space by expanding into the existing unenclosed area located between Terminal South and Concourse "T"; and

WHEREAS, the City and Delta desire and intend to enter into an amendatory agreement amending the Delta CPTC Lease and memorializing the changes to the Delta Exclusive Leased Premises detailed above.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor be and is hereby authorized to execute on behalf of the City of Atlanta an amendatory agreement with Delta Air Lines, Inc., to the Agreement and Lease of Premises dated March 22, 1977, also known as the Delta CPTC Lease, which shall contain substantially the following terms and conditions and provisions:

1. Delta ground services and equipment facilities, being GSE Lease Areas Tract II and Tract III, shall be relocated and reconfigured yielding a total net increase in leased land area of approximately 0.043 acres. The effective date of surrender for both tracts shall be June 1, 2006. ~~Effective on the surrender date, the new tracts shall be substituted for~~ the existing tracts and the rentals shall be amended to reflect the increase in total leased land area;
2. Effective as of October 1, 2005 Delta shall permanently surrender to the City certain premises located on Concourse "A" South - Boarding Level - comprising approximately 1,350.0 square feet and on Concourse "D" North - Boarding Level - comprising approximately 602.19 square feet, for use by the City in the construction and improvement of restroom facilities;
3. Effective as of October 1, 2005 Delta shall permanently surrender to the City certain premises located on Concourse "B" South - Boarding Level - comprising approximately 500.0 square feet, for use by the City in its concessions program; and
4. Delta's Terminal South Upper Level ticketing lobby and employee back office space shall be relocated and reconfigured yielding a total net increase in Exclusive Leased Premises of approximately 300 square feet. Effective as of the date of beneficial occupancy by Delta of the newly relocated and reconfigured Terminal South Upper Level ticketing lobby and employee back office space, the new Exclusive Leased Premises shall be substituted for the affected existing Exclusive Leased Premises and the rentals associated therewith shall be adjusted accordingly; and
5. Rentals applicable on all of the above Delta Exclusive Leased Premises shall be adjusted according to the provisions of the Delta CPTC Lease.

BE IT FURTHER RESOLVED, that the City Attorney be and is hereby directed to prepare said amendatory agreement to the Delta CPTC Lease for execution by the Mayor.

BE IT FINALLY RESOLVED, that said amendatory agreement shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until the same has been executed by the Mayor, approved as to form by the City Attorney, attested to by the Municipal Clerk, and delivered to Delta.

Legislative White Paper

Committee of Purview: Transportation

Council Meeting Date: September 19, 2005

Legislation Title: A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDATORY AGREEMENT WITH DELTA AIR LINES, INC. ("DELTA") COVERING THE RELOCATION AND RECONFIGURATION OF CERTAIN DELTA GROUND SERVICES AND EQUIPMENT FACILITIES AND THE PERMANENT SURRENDER TO THE CITY OF VARIOUS EXCLUSIVE LEASED PREMISES AND THE ADDITION OF OTHER EXCLUSIVE LEASED PREMISES ALL OF WHICH ARE LOCATED IN THE CENTRAL PASSENGER TERMINAL COMPLEX ("CPTC") AND LEASED TO DELTA BY THE CITY UNDER THE CPTC LEASE WITH DELTA AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Requesting Dept.: Department of Aviation

Contract Type: Lease Amendment

Justification Statement: Certain existing Delta Air Lines, Inc. ("Delta") ground services and equipment facilities conflict with the City's Runway 8R End Around Taxiway project and must be relocated and reconfigured.

Restroom expansions and improvements in the Central Passenger Terminal Building concourses, contemplated for construction under the City's CPTC Cosmetic Upgrades project (currently underway), require the permanent surrender to the City of certain Delta Exclusive Leased Premises located on the Boarding Level of Concourses "A" and "D".

Furthermore, the City desires the permanent surrender of a portion of Delta's Exclusive Leased Premises located on the Boarding Level of Concourse "B" for the purpose of expanding the concessions program.

Delta has determined that the current lobby design in the South Terminal Ticket Lobby is inadequate for current and future customer projections. Delta will undertake a capital improvement plan to reconfigure the curbside check-in function, ticket counter configurations, back office support functions, baggage handling systems, and general flow of customers through the facility. The Delta project will relocate and reconfigure Delta's Terminal South Upper Level ticketing lobby and employee back office space yielding a total net increase in Exclusive Leased Premises of approximately 300 square feet.

The City and Delta desire and intend to enter into an amendatory agreement amending the Delta CPTC Lease and memorializing the changes to the Delta Exclusive Leased Premises detailed above.

Background: The City has entered into an Agreement and Lease of Premises with Delta dated March 22, 1977, covering the planning, design, financing, construction, development, operation and maintenance of the Central Passenger Terminal Complex at Hartsfield-Jackson Atlanta International

Airport which, as heretofore amended, provides for the lease of certain premises and the occupancy and use of certain facilities by Delta.

Fund Account Center: N/A

Source of Funds: N/A

Term of Contract: Permanent

Method of Cost Recovery: N/A

Approvals:

DOF:

DOL: Yes

Prepared By: Charles L. Fister

Contact Number: 404-530-6600 (Anita Williams)

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office: Greg Pridgeon

General Manager's Signature: MCS

From: Originating Dep't Aviation

Committee of Purview: Transportation

Committee Meeting: 09/14/05

Contact Person: Anita Williams 404-530-6600

Committee Deadline: 09/02/05

Council Meeting: 09/19/05

CAPTION:

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDATORY AGREEMENT WITH DELTA AIR LINES, INC. ("DELTA") COVERING THE RELOCATION AND RECONFIGURATION OF CERTAIN DELTA GROUND SERVICES AND EQUIPMENT FACILITIES AND THE PERMANENT SURRENDER TO THE CITY OF VARIOUS EXCLUSIVE LEASED PREMISES AND THE ADDITION OF OTHER EXCLUSIVE LEASED PREMISES ALL OF WHICH ARE LOCATED IN THE CENTRAL PASSENGER TERMINAL COMPLEX ("CPTC") AND LEASED TO DELTA BY THE CITY UNDER THE CPTC LEASE WITH DELTA AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

BACKGROUND/DISCUSSION:

City improvements to the airfield and City improvements as well as Delta improvements to the Central Passenger Terminal Complex ("CPTC") at the Hartsfield-Jackson Atlanta International Airport will result in several adjustments to the Delta Air Lines, Inc. ("Delta") Exclusive Leased Premises leased to Delta under the Agreement and Lease of Premises with Delta dated March 22, 1977, covering the planning, design, financing, construction, development, operation and maintenance of the CPTC (the "CPTC Lease").

FINANCIAL IMPACT: NA

SOURCE: NA

Fund Account Center numbers and availability of funds verified by Financial Analyst.

Mayor's Staff Only:

Received by Mayor's Office: 8.29.05

(Date)

Reviewed: [Signature]

(Initials)

(Date)

Submitted to Council: _____

Action by Committee: _____ Approved _____ Adversed _____ Held

_____ Amended _____ Substituted _____ Referred _____ Other